

## Exhibit 300 (BY2008)

| PART ONE  |                         |
|---|-------------------------|
| OVERVIEW  |                         |
| 1. Date of Submission:  | 2006-11-07              |
| 2. Agency:  | 015                     |
| 3. Bureau:  | 10                      |
| 4. Investment Name:   | FedDebt                 |
| 5. UPI:   | 015-10-01-14-01-1060-00 |
| 6. What kind of investment will this be in FY2008?  |                         |
| Mixed Life Cycle  |                         |
| 7. What was the first budget year this investment was submitted to OMB?   |                         |
| FY2001 or earlier   |                         |
| 8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.  |                         |
| <p>FedDebt will provide Treasury's delinquent debt collection business with an integrated system that combines the legacy Treasury Offset Program (TOP) system with the legacy Debt Management Servicing Center/Private Collection Agency Monitoring and Control (DMSC/PMAC). FedDebt will provide the Debt Management Services (DMS) organization with a single platform for its business applications, a single entry portal for its business applications, a web-based customer interface, and a single database for reporting. FedDebt is based on findings in a study by McKinsey and Company dated October 2003 that identified critical functionality gaps in FMS systems and recommended end-state business and enterprise architectures to increase business flexibility while reducing overall system complexity. The goal is to move toward a Service-Oriented Architecture which transforms individual software assets into reusable building blocks for future applications. NOTE: As recommended by the McKinsey study, accounting for debt collection functions will be maintained separately in the Debt Management Accounting System (DMAS), which will interface with FedDebt. FedDebt supports Treasury's strategic goal to manage the U.S. Government's finances effectively, and supports the FMS strategic goal to maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. The Debt Collection Improvement Act of 1996 centralized responsibility for Federal delinquent debt collection in FMS. FedDebt will integrate the collection services that FMS provides to Federal Program Agencies (FPAs) through its TOP and Cross-Servicing programs. TOP matches a database of delinquent debtors against outgoing Federal payments and offsets or levies those payments to recipients who owe delinquent debts. The Cross-Servicing program uses Treasury demand letters, Private Collection Agencies, administrative wage garnishment, repayment agreements, and other collection tools to collect delinquent debt owed to the Government.</p> |                         |
| 9. Did the Agency's Executive/Investment Committee approve this request?  |                         |
| yes   |                         |
| 9.a. If "yes," what was the date of this approval?  |                         |
| 2006-08-09  |                         |
| 10. Did the Project Manager review this Exhibit?  |                         |
| yes   |                         |
|   |                         |
|   |                         |
|   |                         |
|   |                         |
|   |                         |
|   |                         |
| 12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.   |                         |
| no  |                         |
| 12.a. Will this investment include electronic assets (including computers)?   |                         |

|  |     |
|--|-----|
| no   |     |
| 12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)   |     |
| no   |     |
| 13. Does this investment support one of the PMA initiatives?   |     |
| yes  |     |
| If yes, select the initiatives that apply:   |     |
| Expanded E-Government  |     |
| Financial Performance  |     |
| 13.a. Briefly describe how this asset directly supports the identified initiative(s)?  |     |
| FedDebt supports the Financial Performance goal by providing an integrated system for managing the Government's delinquent debt portfolio. FedDebt supports Expanded E-Government by providing Federal Program Agencies and Private Collection Agencies with web-based access to debt information and eliminating labor-intensive manual processes and hard-copy data exchanges. |     |
| 14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?   |     |
| yes  |     |
| 14.a. If yes, does this investment address a weakness found during the PART review?  |     |
| no   |     |
| 14.b. If yes, what is the name of the PART program assessed by OMB's Program Assessment Rating Tool?   |     |
| Financial Management Service Debt Collection   |     |
| 14.c. If yes, what PART rating did it receive?   |     |
| Effective  |     |
| 15. Is this investment for information technology (See section 53 for definition)?   |     |
| yes  |     |
| 16. What is the level of the IT Project (per CIO Council's PM Guidance)?   |     |
| Level 2  |     |
| 17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)  |     |
| (1) Project manager has been validated as qualified for this investment  |     |
| 18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?   |     |
| yes  |     |
| 19. Is this a financial management system?   |     |
| yes  |     |
| 19.a. If yes, does this investment address a FFMIA compliance area?  |     |
| yes  |     |
| 19.a.1. If yes, which compliance area:   |     |
| Financial Systems Requirements and Accounting Standards  |     |
| 19.b. If yes, please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A11 section 52.  |     |
| System name: FedDebt System acronym: FEDDEBT   |     |
| 20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)   |     |
| Hardware   | 0   |
| Software   | 0   |
| Services   | 100 |
| 21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?   |     |

yes

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).  
Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

*In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.*

*Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.*

Table 1

|   | Fiscal Year | Strategic Goal(s) Supported   | Performance Measure   | Actual/baseline (from Previous Year)  | Planned Performance Metric (Target)   | Performance Metric Results (Actual)   |
|---|-------------|---|---|---|---|---|
| 1 | 2004        | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will use the Cross-Servicing Program (DMSC/PMAC) and the Treasury Offset Program (TOP) to support the goal of collecting \$2.9 billion in delinquent debt in FY 2004.           | \$1.988 billion in delinquent debt collected.   | Total dollars of delinquent debt collected minus any reversals.   | \$3.0 billion in delinquent debt collected for FY 2004.   |
| 2 | 2004        | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will use the DMSC/PMAC and TOP to increase the percentage of eligible delinquent debts that are referred to FMS for collection in FY 2004 to 90%.                               | 71% of the delinquent debts eligible for collection are referred to FMS for collection. | Percentage of eligible debts referred to FMS for collection.  | All of the \$32.1 billion eligible for offset was referred to FMS. \$7.5 billion of the \$7.7 billion eligible for cross-servicing was referred to FMS. Combined weighted average was 99% of eligible debts referred. |
| 3 | 2004        | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will increase the amount of delinquent debt collected in FY 2004 to \$53.03, an increase of \$.50, for every dollar of debt collection program costs, compared to the baseline. | \$52.53 collected for every \$1 of delinquent debt collection program costs.            | Amount of debt collected per \$1 spent on delinquent debt collection programs. This metric will be calculated on an annual basis. | Collected \$53.58 for every \$1 of delinquent debt collection program costs. an increase of \$1.05.   |
| 4 | 2005        | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by   | FMS will use FedDebt to support the goal of collecting \$3.0 billion in delinquent debt in FY 2005.   | \$3.0 billion in delinquent debt collected in FY 2004.                                  | Total dollars of delinquent debt collected minus any reversals.   | \$3.253 billion in delinquent debt collected for FY 2005.   |

|   |      |   |  |   |   |   |
|---|------|---|--|---|---|---|
|   |      | providing efficient and effective centralized debt collection services.   |  |   |   |   |
| 5 | 2005 | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will use FedDebt to increase the percentage of eligible delinquent debts that are referred to FMS for collection in FY 2005 to 92%.  | 71% of the delinquent debts eligible for collection are referred to FMS for collection. | Percentage of eligible debts referred to FMS for collection.  | All of the \$33.8 billion eligible for offset was referred to FMS. \$6.3 billion of the \$8.9 billion eligible for cross-servicing was referred to FMS. Combined weighted average was 85% of eligible debts referred. |
| 6 | 2005 | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will collect \$41.09 of delinquent debt for every \$1 of delinquent debt collection program costs in FY 2005.  | \$53.58 collected for every \$1 of delinquent debt collection program costs.            | Amount of debt collected per \$1 spent on delinquent debt collection programs. This metric will be calculated on an annual basis. | Collected \$36.23 for every \$1 of delinquent debt collection program costs.  |
| 7 | 2006 | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will use FedDebt to support the goal of collecting \$3.1 billion in delinquent debt in FY 2006. NOTE: Goal is lower than baseline to reflect decreased tax refund offsets and collection efforts in areas affected by Hurricane Katrina. | \$3.253 billion in delinquent debt collected in FY 2005.                                | Total dollars of delinquent debt collected minus any reversals.   | \$3.062 billion in delinquent debt collected through 6/30/2006.   |
| 8 | 2006 | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt                      | FMS will use FedDebt to increase the percentage of eligible delinquent debts that are referred to FMS for cross-servicing in FY 2006 to 90%. NOTE: Referrals for offset have reached 100% and are no longer part of this performance goal.   | 85% of the delinquent debts eligible for collection are referred to FMS for collection. | Percentage of eligible debts referred to FMS for cross-servicing.   | As of 6/30/06, \$7.3 billion or 83% of the \$9.0 billion eligible for cross-servicing was referred to FMS.  |

|    |      |   |  |   |   |   |
|----|------|---|--|---|---|---|
|    |      | collection services.  |  |   |   |   |
| 9  | 2006 | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will collect \$36.40 of delinquent debt for every \$1 of delinquent debt collection program costs in FY 2006.                            | \$36.23 collected for every \$1 of delinquent debt collection program costs.            | Amount of debt collected per \$1 spent on delinquent debt collection programs. This metric will be calculated on an annual basis. | Actual results will be available as of 9/30/06. |
| 10 | 2007 | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will use FedDebt to support the goal of collecting \$3.2 billion in delinquent debt in FY 2007.  | \$3.336 billion in delinquent debt collected in FY 2006.                                | Total dollars of delinquent debt collected minus any reversals.   | TBD   |
| 11 | 2007 | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will use FedDebt to increase the percentage of eligible delinquent debts that are referred to FMS for cross-servicing in FY 2007 to 92%. | 89% of the delinquent debts eligible for collection are referred to FMS for collection. | Percentage of eligible debts referred to FMS for cross-servicing.   | TBD   |
| 12 | 2007 | Treasury Strategic Goal - (F4) Manage the U.S. Government's Finances Effectively. FMS Strategic Goal 3 - Maximize collection of Government delinquent debt by providing efficient and effective centralized debt collection services. | FMS will collect \$36.50 of delinquent debt for every \$1 of delinquent debt collection program costs in FY 2007.                            | \$38.17 collected for every \$1 of delinquent debt collection program costs.            | Amount of debt collected per \$1 spent on delinquent debt collection programs. This metric will be calculated on an annual basis. | TBD   |

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov).

Table 2

|   | Fiscal Year | Measurement Area | Measurement Grouping | Measurement Indicator | Baseline | Planned Improvement to the Baseline | Actual Results |
|---|-------------|------------------|----------------------|-----------------------|----------|-------------------------------------|----------------|
| 1 | 2006        |                  |                      |                       |          |                                     |                |
| 2 | 2006        |                  |                      |                       |          |                                     |                |
| 3 | 2006        |                  |                      |                       |          |                                     |                |

### EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

FedDebt

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

|   | Agency Component Name | Agency Component Description  | Service Type         | Component       | Reused Component Name | Reused UPI | Internal or External Reuse? | Funding % |
|---|-----------------------|---|----------------------|-----------------|-----------------------|------------|-----------------------------|-----------|
| 1 | Debt Collection       | Collects delinquent debt owed to Federal agencies by the public, using cross-servicing, offset of | Financial Management | Debt Collection |                       |            | No Reuse                    | 30        |

|   |                             |  |                                  |                             |  |  |          |   |
|---|-----------------------------|--|----------------------------------|-----------------------------|--|--|----------|---|
|   |                             | Treasury payments, Private Collection Agencies, salary offset, administrative wage garnishment, and litigation through the Department of Justice.            |                                  |                             |  |  |          |   |
| 2 | Case Management             | Associates cases to debts and debtors in a one-to-many relationship.   | Tracking and Workflow            | Case Management             |  |  | No Reuse | 5 |
| 3 | Customer Feedback           | Acknowledges receipt of batch files of delinquent debts received from Federal program agencies, and provides error codes to help in reconciling inventories. | Customer Relationship Management | Customer Feedback           |  |  | No Reuse | 5 |
| 4 | Data Exchange               | Receives updates to delinquent debt and debtor information from Federal program agencies and Private Collection Agencies.                                    | Data Management                  | Data Exchange               |  |  | No Reuse | 5 |
| 5 | Loading and Archiving       | Stores data on debtors and delinquent debts owed by the public to the government for use by Treasury debt collectors and Private Collection Agencies.        | Data Management                  | Loading and Archiving       |  |  | No Reuse | 5 |
| 6 | Instrumentation and Testing | Facilitates system performance testing, load   | Development and Integration      | Instrumentation and Testing |  |  | No Reuse | 5 |



|           |   |  |                           |   |  |  |          |   |
|-----------|---|--|---------------------------|---|--|--|----------|---|
|           |   | testing,<br>volume<br>testing, etc.  |                           |   |  |  |          |   |
| <b>7</b>  | Performance<br>Management               | Evaluates<br>Private<br>Collection<br>Agencies on<br>their<br>performance,<br>calculates<br>performance-<br>based fees,<br>and<br>distributes<br>debts to PCAs<br>based on<br>prior<br>performance.  | Investment<br>Management  | Performance<br>Management               |  |  | No Reuse | 5 |
| <b>8</b>  | Ad Hoc                                  | Provides<br>reporting<br>capability to<br>see data on<br>individual<br>debts or<br>debtors,<br>including<br>financial<br>history,<br>payment<br>history, and<br>collector<br>notes. Also<br>provides for<br>summary<br>reports for<br>supervisors<br>and<br>management<br>reports on<br>the entire<br>portfolio of<br>delinquent<br>debt owed to<br>the<br>government. | Reporting                 | Ad Hoc                                  |  |  | No Reuse | 5 |
| <b>9</b>  | Standardized/Canned                     | Provides<br>standard<br>reports on<br>payments<br>received from<br>delinquent<br>debtors, new<br>case entry,<br>administrative<br>resolution of<br>debts, etc.   | Reporting                 | Standardized /<br>Canned                |  |  | No Reuse | 5 |
| <b>10</b> | Inbound<br>Correspondence<br>Management | Receives<br>batch files<br>from Federal<br>program<br>agencies,<br>Private<br>Collection   | Routing and<br>Scheduling | Inbound<br>Correspondence<br>Management |  |  | No Reuse | 5 |

|    |                |  |                     |                |                |                         |          |   |
|----|----------------|--|---------------------|----------------|----------------|-------------------------|----------|---|
|    |                | Agencies, and the lockbox containing data about delinquent debts owed to the government by the public. |                     |                |                |                         |          |   |
| 11 | Access Control | Controls access to FedDebt based on user role and concept of least privilege.                          | Security Management | Access Control | Access Control | 015-00-02-00-01-1070-00 | Internal | 5 |

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

|    | SRM Component   | Service Area        | Service Category         | Service Standard | Service Specification (i.e., vendor and product name) |
|----|-----------------|---------------------|--------------------------|------------------|---|
| 1  | Data Exchange   | Component Framework | Business Logic           |                  |   |
| 2  | Data Exchange   | Component Framework | Business Logic           |                  |   |
| 3  | Debt Collection | Component Framework | Data Management          |                  |   |
| 4  | Data Exchange   | Component Framework | Data Management          |                  |   |
| 5  | Ad Hoc          | Component Framework | Data Management          |                  |   |
| 6  | Debt Collection | Component Framework | Presentation / Interface |                  |   |
| 7  | Data Exchange   | Component Framework | Presentation / Interface |                  |   |
| 8  | Access Control  | Component Framework | Security                 |                  |   |
| 9  | Access Control  | Component Framework | Security                 |                  |   |
| 10 | Access Control  | Component Framework | Security                 |                  |   |
| 11 | Access Control  | Component Framework | Security                 |                  |   |
| 12 | Data Exchange   | Service Access and  | Access Channels          |                  |   |

|    |                                   |                                     |                           |  |  |
|----|-----------------------------------|-------------------------------------|---------------------------|--|--|
| 13 | Customer Feedback                 | Service Access and Delivery         | Service Transport         |  |  |
| 14 | Access Control                    | Service Access and Delivery         | Service Transport         |  |  |
| 15 | Access Control                    | Service Access and Delivery         | Service Transport         |  |  |
| 16 | Data Exchange                     | Service Access and Delivery         | Service Transport         |  |  |
| 17 | Debt Collection                   | Service Interface and Integration   | Integration               |  |  |
| 18 | Inbound Correspondence Management | Service Interface and Integration   | Integration               |  |  |
| 19 | Case Management                   | Service Platform and Infrastructure | Database / Storage        |  |  |
| 20 | Loading and Archiving             | Service Platform and Infrastructure | Database / Storage        |  |  |
| 21 | Debt Collection                   | Service Platform and Infrastructure | Delivery Servers          |  |  |
| 22 | Debt Collection                   | Service Platform and Infrastructure | Software Engineering      |  |  |
| 23 | Debt Collection                   | Service Platform and Infrastructure | Delivery Servers          |  |  |
| 24 | Loading and Archiving             | Service Platform and Infrastructure | Hardware / Infrastructure |  |  |
| 25 | Data Exchange                     | Service Platform and Infrastructure | Hardware / Infrastructure |  |  |
| 26 | Debt Collection                   | Service Platform and Infrastructure | Hardware / Infrastructure |  |  |
| 27 | Instrumentation and Testing       | Service Platform and Infrastructure | Software Engineering      |  |  |
| 28 | Debt Collection                   | Service Platform and Infrastructure | Support Platforms         |  |  |
| 29 | Debt Collection                   | Service Platform and Infrastructure | Support Platforms         |  |  |
| 30 | Debt Collection                   | Service Platform and Infrastructure | Support Platforms         |  |  |
| 31 | Loading and Archiving             | Service Platform and Infrastructure | Database / Storage        |  |  |
| 32 | Performance Management            | Component Framework                 | Data Management           |  |  |
| 33 | Standardized / Canned             | Component Framework                 | Data Management           |  |  |
| 34 | Debt Collection                   | Component Framework                 | Business Logic            |  |  |

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

yes

5.a. If yes, please describe.

|   |
|---|
| Yes, data and information provided by Pay.Gov is used for analysis and reporting. In addition, FedDebt reuses some components that are leveraged within the Federal Reserve Banking System.   |
| 6. Does this investment provide the public with access to a government automated information system?  |
| no  |
| <b>PART TWO</b>   |
| <b>RISK</b>   |
| <i>You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.</i>  |
| <i>Answer the following questions to describe how you are managing investment risks.</i>  |
| 1. Does the investment have a Risk Management Plan?   |
| yes   |
| 1.a. If yes, what is the date of the plan?  |
| 2006-09-14  |
| 1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?   |
| no  |
| 3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)  |
| Due to the primarily operational and maintenance nature of FedDebt, the majority of our budget and schedule was not considered to be especially risky by the program staff. However, FedDebt does have numerous, smaller system enhancements scheduled, and there are risks around these specific enhancements. In particular, FMS management announced a major reorganization of the DMS business area in August 2005, including the transfer of most operational functions from the Washington, DC area to Birmingham, AL. The FedDebt project was adversely impacted by the reorganization, and we are currently reassessing how to reflect the increased risks in the life cycle cost estimate and investment schedule. The revised priorities and costs are reflected in the baseline change request that was submitted to OMB on October 3, 2006. |
| <b>COST &amp; SCHEDULE</b>  |
| Does the earned value management system meet the criteria in ANSI/EIA Standard 748?   |
| yes   |
| 2.a. What is the Planned Value (PV)?  |
| 27.989  |
| 2.b. What is the Earned Value (EV)?   |
| 27.472  |
| 2.c. What is the actual cost of work performed (AC)?  |
| 27.406  |
| What costs are included in the reported Cost/Schedule Performance information?  |
| Contractor and Government   |
| 2.e. As of date:  |
| 2006-12-31  |
| 3. What is the calculated Schedule Performance Index (SPI= EV/PV)?  |
| 0.98  |
| 4. What is the schedule variance (SV = EV-PV)?  |
| -0.517  |
| 5. What is the calculated Cost Performance Index (CPI = EV/AC)?   |
| 1   |
| 6. What is the cost variance (CV = EV-AC)?  |

|   |
|---|
| 0.066   |
| 7. Is the CV or SV greater than 10%?  |
| no  |
| 7.b. If yes, explain the variance.  |
| <p>NOTE: The revised priorities mentioned below were reflected in the submission of a baseline change request (BCR) to the Department of Treasury on September 5, 2006, which was forwarded to OMB on October 3, 2006. FMS management announced a major reorganization of the Debt Management Services area in August 2005, including the transfer of most operational functions from the Washington, DC area to Birmingham, AL. Over 75 employees were given 60 days' notice to decide whether to move to Alabama with their jobs or look for a position outside of DMS. The reorganization is projected to result in net cost savings of \$27.3 million over the next 5 years; however, the FedDebt project was adversely impacted by the reorganization in several ways. First, knowledgeable program staff found new jobs and left DMS, leaving fewer resources available for FedDebt. Second, most employees still in DMS initially focused their time and energy on their personal job searches, and morale suffered because of the uncertainty of the situation. As a consequence of the staff retention and morale issues, management has been forced to reassess program and project priorities. Additionally, after the initial implementation of FedDebt in September 2005, program managers and system users requested time to become accustomed to the process changes associated with the new system, and technical stakeholders recognized the need to stabilize the system before adding new functionality. The revised priorities have been costed out and were reflected in the submission of a rebaseline of the FedDebt project.</p>  |
| 7.c. If yes, what corrective actions are being taken?   |
| <p>NOTE: In addition to the actions outlined below, FedDebt submitted a baseline change request (BCR) to the Department of Treasury on September 5, 2006, which was forwarded to OMB on October 3, 2006, and approved by OMB on November 9, 2006. This quarterly control report is against the old baseline; future reports will reflect the new baseline approved on November 9. FedDebt project management is taking a number of actions to correct the variances primarily caused by the announcement of a major DMS reorganization in August 2005. The schedule variance was particularly impacted by the loss of key personnel to the project. The Project Oversight Steering Committee is now reviewing the highest program risks, as part of its ongoing oversight activities. Corrective Action: Fill staff vacancies resulting from the DMS reorganization and the transfer of functions from Washington, DC to Birmingham, AL. Status: The FedDebt Project management team has hired 6 staff, including a requirements manager and a configuration management lead, to replace skills lost as a result of the DMS reorganization. Three additional testers have been added for user acceptance testing, and the Federal Reserve Bank of Philadelphia has assumed responsibility for system acceptance testing. Corrective Action: Use Rapid Application Development (RAD) methodology for most FedDebt DME milestones. Status: The Commissioner of FMS selected the RAD methodology used by the Bureau of Public Debt as the system development methodology for FMS projects in 2005. The Executive Board chose to pilot the concept in a few select system investments, and FedDebt was chosen for one of the pilot efforts. FedDebt used the RAD methodology to develop a module of functionality involving the referral of delinquent debts to the Department of Justice for litigation. The time-boxing discipline imposed by the RAD process was successful at controlling costs and limiting schedule slippage. Implementing the Commissioner's decision across other DME milestones will require a baseline change request, which is forthcoming. Corrective Action: Decrease the number of concurrent development and testing efforts. Status: In order to allow users to learn new processes associated with the implementation of the first phase of FedDebt and to stabilize the system, DMS management imposed a moratorium on the addition of new functionality. As development resumes, the move to the RAD methodology will limit the number of concurrent development efforts and allow for more structured configuration management and version control.</p> |
| 7.d. What is most current Estimate at Completion?   |
| 47.382  |
| 8. Have any significant changes been made to the baseline during the past fiscal year?  |
| no  |